

Remarks by High Representative Christian Schwarz-Schilling On the Occasion of the Seventh Anniversary of the Formal Establishment of Brcko District

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Brcko, 8 March 2007

Members of the Presidency, Mr. Mayor, Ambassadors, Friends, Colleagues, Distinguished Guests, Ladies and Gentlemen,

This seventh anniversary of the establishment of Brcko District and tenth anniversary of the appointment of the first supervisor, Bill Farrand, whom I am delighted to see here with us today, is an opportunity to take stock: both of the huge progress that Brcko has made since the bad old days of 1997 and of the distance that still remains to be covered, whether in the District or in Bosnia and Herzegovina as a whole.

Brcko District has for several years now been held up as a model for the rest of Bosnia and Herzegovina. Its pioneering education reforms, its new legal system, its business-friendly commercial environment and relative affluence and, above all, its recreation of multinational cooperation and neighbourliness have made it both the envy of many and the standard to which at least some others wisely aspire.

But Brcko has also offered a model for what the international community can accomplish, with generous resources and patient care, to help rebuild a once war-torn, divided and dangerous place. It was this special set of circumstances, of course, that required both post-war arbitration and an equally special sort of international guardianship. The results of the intensive care lavished upon Brcko by successive supervisors – and the overwhelmingly positive responses of Brcko's leaders and residents – illustrate the extent to which even the blackest of black holes can be transformed into beacons of light.

It is right to recall this notable progress today because more recent political arguments within the District and between the District, the Entities and the State have served to obscure the magnitude of what has been achieved here. In this respect as well Brcko is, if not a model for Bosnia and Herzegovina, at least an example of what happens when politicians and citizens are asked to take full responsibility for their own affairs. As I have discovered this past year, the transfer of ownership carries a price. The pace of reform slows as the new realities of responsibility take root.

Although local electoral politics came late to Brcko, they have complicated the business of government, just as was the case with the too-early and too-frequent elections in Bosnia and Herzegovina generally. The fact that full-fledged democracy arrived at the same time as talk of closing down the supervisory regime produced renewed anxiety over the future and national politicking of a new intensity. Both revealed the need for amendments to the District Statute and adjustments to the executive administration. With these now in place, Brcko District institutions should be equipped to operate efficiently, transparently and, before too long, without constant international supervision.

In fact, I have every confidence that Brcko District will reclaim its path-breaking role as model and example to the rest of Bosnia and Herzegovina: transitioning to democratic self-governance and complete local ownership before the rest of the country manages that feat.

But there are some challenges that must be met first, some within the District, and some in terms of the District's place as an institution of Bosnia and Herzegovina. Within the District, reforms must be implemented as swiftly as possible. The longer their introduction is drawn out, the longer lasting the painful change that often goes with them. You must move forward now on establishing the Health Insurance Fund, the Public Utility Company, and adopting the Spatial Plan. Further delays will only hold you back. And as EUSR, I must reinforce to you the

importance of carrying out the public administration reform goals you agreed with the European Union.

Outside the District, it is crucial that the issue of VAT revenue allocation be settled in a fair manner as soon as possible so as to avoid having the Arbitral Tribunal deal with the matter. It is also crucial that the Bosnia and Herzegovina Parliamentary Assembly adopt a Law on Brcko District, so that the Final Award and Brcko's position as part of the State can be institutionalized. This is not just my own position, but also that of the entire Peace Implementation Council Steering Board.

Let me close by saying that I am a friend of Brcko District. I will work to ensure a timely and fair outcome on these State-level issues and support fully the work of Raffi Gregorian, who is both my deputy and the Brcko Supervisor in making sure that the District is functioning "effectively and apparently permanently."

Thank you.